

- SUBJECT: Houston firefighters' retirement fund revisions
- COMMITTEE: Pensions and Investments — favorable, without amendment
- VOTE: 6 ayes — Telford, Woolley, Berlanga, Goolsby, Rangel, Tillery
0 nays
3 absent — Sadler, Serna, Williams
- WITNESSES: For — William L. Jeffrion, City of Houston
Against — None
- DIGEST: HB 3170 would rewrite the current statute governing the Houston firefighters' retirement fund.
- HB 3170 also would add the following new benefits:
- All current retirees, surviving spouses (or surviving children if there was no surviving spouse), or members receiving disability benefits before November 1, 1997, would receive a one-time lump sum payment of \$5,000.
 - The annual cost of living allowance would be fixed at three percent, rather than adjusted for inflation with a cap of three percent. Members who were totally disabled as a result of on-duty injuries would receive annual cost of living adjustments regardless of their age rather than having the cost of living adjustment deferred to age 50.
 - Board members could establish an account that would allow participants leaving active duty before full retirement to maintain their retirement account with the fund rather than receiving a lump sum payment or having it rolled over into another account.
 - Members could elect to have children over the age of 18 continue to receive a share of their survivor benefits while in college until age 23,

rather than having that share revert to the member's spouse or other children.

- Beginning July 1, 1998, a surviving spouse who was not married to the member at the time of the member's retirement would be able to collect benefits based on the number of years of marriage.
- Effective July 1, 1998, a \$5,000 lump-sum death benefit would be paid for any member.
- Effective July 1, 1999, retirees entitled to a service or disability pension, or their beneficiaries, would receive an additional monthly benefit of \$100. This increase would apply only to members who retired or became disabled before July 1, 1999.

An additional member representing retired members with 20 or more years of service would be added to the firemen's relief fund board of trustees, which is currently made up of five active firefighters, the mayor's representative, the city treasurer, and two private citizens.

HB 3170 would take effect November 1, 1997.

**SUPPORTERS
SAY:**

HB 3170 would add new benefits to the Houston firefighters' retirement plan and clean up a statute that has become extremely difficult to understand because it has been amended piecemeal over the years. The bill would streamline and clarify the existing statute without eliminating any current benefits. With this bill, some 1,500 current retirees or their surviving spouses would receive a lump sum payment of \$5,000. This benefit, as well as all other new benefits in the bill, would be paid for out of the current retirement fund. The plan is overfunded by \$121 million because of positive returns on investments, making possible the enhancements in HB 3170 without the need for increased contributions from active firefighters.

**OPPONENTS
SAY:**

No apparent opposition.

HB 3170
House Research Organization
page 3

NOTES: The companion bill, SB 1717 by Patterson, has been referred to the Senate Intergovernmental Relations Committee.